

[Watt, Coble: Debt limit must be raised](#) (Salisbury Post – July 29, 2011)

By Karissa Minn

Both of Rowan's representatives in the U.S. House say the country's debt limit must be raised soon to avoid a financial crisis, but legislators are trying to find a solution that both parties will accept. House Republicans struggled Thursday to pass legislation to prevent a looming government default while slicing nearly \$1 trillion from federal spending. Senate Democrats pledged to scuttle the bill — if it got to them — in hopes of forcing a final compromise. "If people were acting in the interest of the country, they already would have reached one," said Rep. **Mel Watt**, a Democrat whose district includes part of Rowan County. "I am concerned, because the consequences (of not taking action) would be devastating to the country's economy and the world economy." Without signed legislation by Tuesday, the Treasury will not have enough funds to pay all the nation's bills. Administration officials have warned of potentially calamitous effects on the economy if that happens — a spike in interest rates, a plunge in stock markets and a tightening in the job market in a nation already struggling with unemployment over 9 percent. **Watt** said Congress could reach a deadlock if neither House Speaker John Boehner's plan considered Thursday nor an alternative drafted by Senate Majority Leader Harry Reid, a Democrat, can pass both chambers. "If I was presented with a reasonable proposal, I would vote for it," **Watt** said, adding that he doesn't think Boehner's proposal is reasonable and doesn't know much yet about Reid's. Rep. Howard Coble, a Republican representing part of Rowan, said refusing to raise the debt ceiling would be too costly. "I'd like to have the luxury of voting 'no,' because we can't continue spending what we don't have," Coble said. "But we need to raise it to avoid possible disharmony in the financial markets." According to Associated Press reports, Boehner also urged action Thursday. "Let's pass this bill and end the crisis," he said. "It raises the debt limit and cuts government spending by a larger amount." In a closed-door GOP meeting Thursday, Boehner made headway in securing the 217 votes necessary to pass his plan. No Democrats were expected to support it. President Barack Obama has threatened to veto the measure, and in debate on the House floor, Rep. Debbie Wasserman Schultz of Florida savaged it as a "Republican plan for default." She said the GOP hoped to "hold our economy hostage while forcing an ideological agenda" on the country. White House press secretary Jay Carney outlined White House compromise terms: "significant deficit reduction, a mechanism by which Congress would take on the tough issues of tax reform and entitlement reform and a lifting of the debt ceiling beyond ... into 2013." The last point loomed as the biggest obstacle. The House bill cuts spending by \$917 billion over a decade, principally by holding down costs for hundreds of government programs ranging from the Park Service to the Agriculture Department and foreign aid. It also provides an immediate debt limit increase of

\$900 billion,

which is less than half of the total needed to meet Obama's insistence that there be no replay of the current crisis in the heat of the 2012 election campaigns. An additional \$1.6 trillion in borrowing authority would be conditioned on passage of at least \$1.8 trillion in further savings to be recommended by a newly created committee of lawmakers. Those deficit reductions would presumably come from cuts to benefit programs such as Social Security and Medicare, as well as an overhaul of the tax code generating additional government revenue. The White House and Democrats are readying

Reid's alternative bill, which provides for \$2.7 trillion in additional borrowing authority for the Treasury. It also calls for cuts of \$2.2 trillion, including about \$1 trillion in Pentagon savings that assume the end

of the wars in Iraq and Afghanistan. Even before the House voted, Reid served notice he would stage a vote to kill the legislation almost instantly. "No Democrat will vote for a short-term Band-Aid that would put our economy at risk and put the nation back in this untenable situation a few short months

from now," he said. Last winter, the Treasury Department notified Congress it would need additional borrowing authority, and Boehner said any increase would have to include steps to reduce future spending. At first the White House balked at the terms, then relented and began a series of

bipartisan negotiations. Boehner announced last Friday he was calling off the talks, setting in motion a frantic week of maneuvering as the default deadline grew near.